



FOR IMMEDIATE RELEASE

April 11, 2006

FACT SHEET

FY08 Budget Week

SANDERS' AGREEMENT WITH POLICE UNION FOCUSED ON STEMMING THE LOSS OF SAN DIEGO POLICE OFFICERS

REFORMS IN AGREEMENT TO SAVE CITY ALMOST \$3 MILLION PER YEAR

In response to market conditions, Mayor Jerry Sanders has reached a tentative agreement with the San Diego Police Officers Association (POA) focused on reversing the loss of experienced officers by improving pay and benefits. Regionally as well as nationally, there are more law enforcement job openings than there are qualified applicants. The result is that police departments that offer better compensation packages win over candidates. Due to the City's financial situation, San Diego Police Department (SDPD) officers have not received a raise in two years and are at the bottom of the compensation list when compared to other competing departments. The SDPD is currently down more than 200 officers with another approximately 200 officers set to retire next fiscal year.

A central focus of the negotiations was reform. As a result of two key concessions, the City will save approximately \$3 million per year going forward. As part of the agreement, the City will begin the consolidation of the 21 healthcare plans currently administered by the employee unions. The goal will be 3 plans for all City employees. For the POA alone, this move will save the City approximately \$800,000, assuming current enrollment. The City is also ended a workers compensation program that will save \$2 million.

This is the first agreement to be reached between the City and the POA since their contract expired in June of 2005. The agreement was ratified by the membership of the POA on April 10, 2006. It will go to the full City Council for City ratification on April 17, 2006.

SALARY AND BENEFIT IMPROVEMENTS

- The one year agreement calls for a 6% salary increase for all POA members effective July 1, 2007. All classifications will receive an additional 2% increase effective December 29, 2007. The cost of these salary increases for this fiscal year is \$15,249,600.00.

- Officers will also receive a 1% increase in Peace Officer Standard and Training (POST) pay. Officers become eligible for either intermediate or advanced POST pay as they reach both time and training milestones in their career. The cost of this benefit increase for FY '08 is \$1,400,000.00.

REFORMS ARE CENTRAL PART OF AGREEMENT

Reforms are the hallmark of this agreement. **A central tenant of the agreement is that the City will be providing better healthcare coverage for officers at a lower cost.**

As the study of police compensation conducted last year indicated, the employees' out of pocket contribution to health care is one of the key factors in San Diego's police being in the bottom percentile in take home pay.

The agreement provides for the following changes in coverage for health and dental insurance:

POA	<u>Current</u> Coverage	Current Employee Contribution	Current Residual Flex Dollars	<u>Proposed</u> Coverage	Proposed Employee Contribution	Proposed Residual Flex Dollars
Waiver	N/A	N/A	\$5575.00	N/A	N/A	\$1000.00
EE	100%	\$0.00	\$1981.00	100%	\$0.00	\$856.00
EE+1	77%	\$1612.00	\$0.00	100%	\$0.00	\$0.00
EE+2	48%	\$5205.00	\$0.00	75%	\$2538.00	\$0.00

The outline above reflects the rates and percentages should an employee choose Kaiser.

The City will also be offering another HMO. Should an employee choose the other HMO, the coverage will be 100% for a single employee, 80% for an employee plus one dependant and, finally, 60% coverage for an employee plus family. As of this date, the City is still determining which provider to use for this second HMO for FY '08. Regardless of the provider chosen, as with Kaiser, this change will result in a significant reduction in out of pocket costs for employees in the coming year.

This approach is a dramatic change for the City and one that Mayor Sanders has long committed to accomplish as a key reform to how the City provides benefits. Currently, all City employees receive a fixed amount of "Flex Dollars" with which to purchase benefits. To the extent that the cost of the benefits selected is greater than the City contribution, the employee pays the difference through payroll deduction. If the cost of the benefits selected is less---or if the employee waives---then the employee can elect to receive the excess in cash or roll it into other benefits such as their 401K.

Currently, officers waiving coverage can receive up to \$5560.00 in Flex dollars. In order to insure that dollars dedicated to providing health benefits to employees and their family are used for that purpose, the new plan reduces the amount of dollars that an employee receives when

they waive to \$1000.00 and redirects the remaining funds to insuring that a greater number of employees can afford health coverage.

The second key element to this reform is the consolidation of health care plans. Currently, both the City and four of its five unions (POA, Fire Local 145, MEA and AFSCME 127) offer health and dental plans. The POA has agreed to eliminate their health and dental plans. This agreement is a critical step forward in Mayor Sanders' reform of the City's benefit structure. By reducing the number of health plans, the City will maximize its buying power and slow the increase in health care costs.

(While POA has agreed to this change, the City is still in negotiations with Fire Local 145 to eliminate its health care plan in the coming year. Because MEA and AFSCME 127's contracts do not expire until June 30, 2008, the City may have to wait another year to accomplish full consolidation.)

This agreement eliminates the Fitness Image and Training (FIT) program which provided workers compensation coverage for officers injured off duty while engaging in fitness activities. Since 1999, the City has paid over \$15 million to cover claims brought under FIT. In fiscal year 2006, the City paid \$2,143,072.00 to cover FIT claims.

STEMMING THE LOSS OF OFFICERS

- Currently, SDPD is 234 officers down from its budgeted strength of 2,108. The SDPD faces a staffing shortage due to a number of factors: some officers have retired, other have faced mandatory retirement after participating in the City's DROP program and many have left for higher paying jobs in other parts of Southern California.
- In Fiscal Year 2006, the SDPD saw 71 officers leave for other departments. As Fiscal Year 2007 draws to a close, the SDPD has seen 54 officers leave for other departments. Among officers leaving, overall compensation was cited frequently as the primary factor in their decision.
- The salary and benefit changes contained in the tentative agreement do have a positive impact on where San Diego police officers' take home pay falls in relation to other jurisdictions.

CLASSIFICATION	CURRENT PERCENTILE RANK	PERCENTILE RANK UNDER FY'08 CONTRACT	DIFFERENCE
Police Recruit	0 percentile*	13 percentile*	13 percent
Police Officer I	13 percentile*	13 percentile*	0 percent
Police Officer II	6 percentile*	33 percentile*	27 percent
Police Sergeant	6 percentile*	17 percentile*	11 percent
Police Lieutenant	17 percentile*	44 percentile*	27 percent

* On a scale of 100/higher the percentile the better

- While this contract moves the process forward, both the Mayor and the POA acknowledge there is more work to be done. SDPD did not end up at the bottom of the rankings over the course of one year---this problem has been building for several years. Both parties agree that getting San Diego police officer pay to competitive levels will be a multi-year process.

OTHER KEY COMPONENTS OF AGREEMENT

- The agreement adds an additional benefit for families of officers killed in the line of duty. Currently, California law provides \$5,000.00 for burial expenses when an officer is killed in the line of duty. This agreement would add an additional \$5,000.00 to be used at the family's discretion should such a tragedy occur.
- This agreement establishes a Labor-Management Committee. Among the first issues to be taken up by this committee is how to better address recruitment and retention as well as establishment of programs to assist officers in dealing with the high cost of housing in San Diego County.
- Other terms include clarification of grievance procedures, creation of a testing component for Bi-Lingual pay and codification of the Comp Time agreement reached by the Mayor and the POA last December.



FOR IMMEDIATE RELEASE

April 11, 2007

FACT SHEET

FY08 Budget Week

SANDERS' FY08 BUDGET ADDS \$10 MILLION TO PUBLIC SAFETY BUDGETS

*FY08 Budget Enhancements will Include 4 New Police Helicopters;
New Radios for all Fire Trucks*

As part of his FY08, budget, Mayor Jerry Sanders today announced that \$9.6 million will be added to the budgets of the San Diego Police and Fire Departments to help address the City's ongoing public safety needs. Additionally, \$130,000 will be added to the City's Homeland Security budget to augment federal funds the City receives to prepare for and guard against natural or man-made disasters.

The Mayor's budgetary enhancements underscore his commitment to keep public safety a top priority. Elements of the enhancements include:

- **The addition of \$1.9 million in the Police Department's budget to fund the annual lease purchase for four new, state-of-the-art police helicopters.** For the first time in the history of law enforcement aviation, the SDPD officers who fly the department's helicopters were involved in the design of their aircraft. These helicopters replace the department's outdated aircraft, which included a 38-year-old helicopter, the oldest operational police helicopter in the country.
- **\$2 million to fully fund operations at the newly opened Northwestern Division Substation.** This 24-hour, 21,760 sq. ft. police substation located in Carmel Valley also serves the neighborhoods of Black Mountain Ranch, Torrey Highlands, Sorrento Valley, Torrey Preserve, Del Mar Heights, and North City.
- **Fleet replacement and additions for the Fire Rescue Department (\$1.96 million).** Long overdue, the Mayor is focusing attention on replacing outdated fire vehicles, including the replacement of two unreliable and substandard water tenders that are over 26 years old (\$500,000). Replacement will ensure an adequate and timely supply of water when hydrants

are not available. Also being replaced are: the department's only front-line emergency response foam apparatus (\$600,000), 15 emergency response-capable staff vehicles (\$491,000), five aged mid-size emergency response capable staff vehicles (\$74,650), two Battalion Chief vehicles (\$130,000), one aged and repair-prone callback response vehicle (\$40,000), three 2-wheel-drive support function pickup trucks (\$58,000); and the addition of five midsize sedans (\$65,190).

- **Fire Department Equipment Enhancements (\$1.07 million).** Chief among the enhancements are full funding for the helicopter/hoist lease-purchase payments (\$341,100), three compressed breathing air refill units to be installed in fire stations (\$169,682), 70 complete turnout sets (fire retardant coats and pants) (\$140,000), the replacement of outdated 800MHz mobile radios on all apparatus (\$83,262), and the repair and replacement of vehicular exhaust and extraction systems on vehicles as needed (\$75,000).
- **Partial-year staffing for the new, developer built Fire Station 47 in Pacific Highlands (\$1.17 million).** Set to open in late fall 2007, this fire station will service communities in the rapidly growing Carmel Valley area. It is anticipated that the addition of this station will dramatically reduce fire and life safety service response times in this region.
- **Funding for additional staffing and overtime training for lifeguards (\$878,091).** For the last three fiscal years, lifeguards have deferred all but mandatory training which has resulted in a lack of practice for some essential skills required for employee and public safety. \$587,000 has been allocated to provide overtime funding for this training. Additionally, \$291,091 will fund additional staffing for lifeguards to improve public safety during peak coverage periods.
- **Migration of 1/2 Administrative Aide II position from Homeland Security Grant funding to the General Fund (approximately \$40,000).** Each year, the City is working to transition vital Homeland Security staff positions currently paid for with grant funds into the General Fund to ensure continuity of staffing and expertise once grant funding expires. This is part of the City's long-range plan to provide homeland security in perpetuity.

FY08 BUDGET ENHANCEMENTS

SAN DIEGO POLICE DEPARTMENT

ITEM CATEGORY	BUDGET ENHANCEMENT AMOUNT
Equipment enhancements	\$1.9 million
Operations enhancement (Northwestern Substation)	\$2.0 million
Rent for additional property room storage	\$300,000
Increase to overtime budget	\$83,000
TOTAL ENHANCEMENTS	\$4.28 million

SAN DIEGO FIRE RESCUE DEPARTMENT

ITEM CATEGORY	BUDGET ENHANCEMENT AMOUNT
Partial Year Staffing for Newly Built Fire Station 47	\$1.170 million
Fleet replacement and additions	\$1.96 million
Equipment Enhancements	\$1.07 million
JPA HIRT Program	\$143,900
Fire Personnel Training	\$66,980
Information Technology Needs	\$35,500
Lifeguard Staffing	\$291,091
Lifeguard Training	\$587,000
TOTAL ENHANCEMENTS	\$5.32 million

DEPARTMENT OF HOMELAND SECURITY

ITEM CATEGORY	BUDGET ENHANCEMENT AMOUNT
Administrative staff increase	\$40,000
New office space rental	\$90,000
TOTAL ENHANCEMENTS	\$130,000